

## ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (this "Agreement") is made as of JUNE, 10, 2015 between American Radio Missions Foundation, ("Seller") and VCY America, Inc. ("Buyer").

### RECITALS

A. Seller owns the following radio translator station (the "Station") pursuant to certain authorizations issued by the Federal Communications Commission (the "FCC"):

KRNF-FM 89.7 mhz, FCC REGISTRATION # 0016977324  
AND TOWER REGISTRATION ASR # 1242868

B. Subject to the terms and conditions set forth herein, Seller desires to sell to Buyer, and Buyer desires to purchase from Seller, the Station Assets (defined below).

### AGREEMENT

NOW, THEREFORE, taking the foregoing into account, and in consideration of the mutual covenants and agreements set forth herein, the parties, intending to be legally bound, hereby agree as follows:

### ARTICLE 1: PURCHASE OF ASSETS

1.1. Station Assets. On the terms and subject to the conditions hereof, at Closing (defined below), Seller shall sell, assign, transfer, convey and deliver to Buyer, and Buyer shall purchase and acquire from

Seller, all right, title and interest of Seller in and to the following assets of Seller which are used or held for use in the operation of the Station (the "Station Assets"), but excluding the Excluded Assets (defined below):

(a) all licenses, permits and other authorizations issued to Seller by the FCC with respect to the Station and described on Schedule 1.1(a) (the "FCC License"), including any renewals or modifications thereof between the date hereof and Closing, and including the right to use the Station's call letters;

(b) all of Seller's equipment, antennae, cables and other tangible personal property which are used or held for use in the operation of the Station and listed on Schedule

1.1(b), except for any retirements dispositions thereof made between the date hereof and Closing in the ordinary course of business (the "Tangible Personal Property"); (c) Seller's lease agreement for use of the Station's tower site located in Malcom, La. off of Old Six road 0.2 mi ENE of 110 St. (the "Tower Agreement"), together with any contracts, DRS agreements and leases made between the date hereof and Closing in the ordinary course of the Station's business (if any); and

(c) all files, documents and records (or copies thereof) relating to the operation of the Station, but excluding records relating to Excluded Assets (defined below). The Station Assets shall be transferred to Buyer free and clear of liens, claims and encumbrances ("Liens") except for the Assumed Obligations (defined below).



1.2. Excluded Assets. Notwithstanding anything to the contrary contained herein, the Station Assets shall not include the following assets or any rights, title and interest therein (the "Excluded Assets"):

- (a) Seller's accounts receivable, and all cash and cash equivalents of Seller, including without limitation certificates of deposit, commercial paper, treasury bills, marketable securities, asset or money market accounts and all such similar accounts or investments;
- (b) Seller's name, corporate minute books, charter documents, corporate stock record books and any other books and records that pertain to the organization, existence or share capitalization of Seller;
- (c) all insurance policies, and all insurance proceeds or claims made thereunder; and
- (d) all assets used or held for use in the operation of any other station owned or operated by Seller or its affiliates.

1.3. Assumed Obligations. At Closing, Buyer shall assume the obligations of Seller arising during, or attributable to, any period of time on or after the Closing Date (defined below) under the Tower Agreement and any other liabilities of Seller to the extent Buyer receives a credit therefor under Section 1.5 (the "Assumed Obligations"). Except for the Assumed Obligations, Buyer does not assume, and will not be deemed by the execution and delivery of this Agreement or the consummation of the transactions contemplated hereby, to have assumed, any other liabilities or obligations of Seller.

1.4. Purchase Price. In consideration for the sale of the Station Assets to Buyer, at Closing Buyer shall pay Seller by wire transfer of immediately available funds the sum of \$ 251,100.00, subject to adjustment pursuant to Section 1.5 (the "Purchase Price").

1.5. Allocation. Buyer and Seller will allocate the Purchase Price in accordance with the respective fair market values of the Station Assets in accordance with the requirements of Section 1060 of the Internal Revenue Code of 1986, as amended. Each of Buyer and Seller shall file its federal income tax returns and its other tax returns reflecting such allocation 1.7. Closing. The consummation of the sale and purchase of the Station Assets provided for in this Agreement (the "Closing") shall take place on the fifth business day after the date of the FCC Consent (defined below) pursuant to the FCC's initial order, subject to the satisfaction or waiver of the conditions required to be satisfied or waived pursuant to Articles 5 or 6 below (other than those requiring the taking of action at the Closing). The date on which the Closing is to occur is referred to herein as the "Closing Date."

1.7. FCC Application. As soon as practicable (in no event later than five (5) business days after the date of this Agreement), Buyer and Seller shall file an application with the FCC requesting FCC consent to the assignment of the FCC License from Seller to Buyer. The FCC's consent to the assignment of the FCC License contemplated hereby is referred to herein as the "FCC Consent." Seller and Buyer shall make commercially reasonable efforts to obtain the FCC Consent. Each party shall promptly provide the other with a copy of any pleading, order or other document served on it relating to such application and shall furnish all information required by the FCC.

1.8 Broker: Neither the buyer nor the seller have engaged a broker concerning this transaction other than the services of Hadden & Assoc. Media Brokers, Celebration, FL - which the seller has retained and will be responsible for paying any and all commission



or fees owed to the broker at closing and to hold the buyer harmless from such obligations.

## **ARTICLE 2: SELLER REPRESENTATIONS AND WARRANTIES**

Seller hereby represents and warrants to Buyer as follows:

2.1. Organization. Seller is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, and is qualified to do business in each jurisdiction in which the Station Assets are located. Seller has the requisite power and authority to execute, deliver and perform this Agreement and the other agreements and instruments to be made by Seller pursuant hereto (collectively, the "Seller Ancillary Agreements") and to consummate the transactions contemplated hereby.

2.2. Authorization. The execution, delivery and performance of this Agreement and the Seller Ancillary Agreements by Seller have been duly authorized and approved by all necessary action of Seller and do not require any further authorization or consent of Seller. This Agreement is, and each Seller Ancillary Agreement when made by Seller and the other parties thereto will be, a legal, valid and binding agreement of Seller enforceable in accordance with its terms, except in each case as such enforceability may be limited by bankruptcy, moratorium, insolvency, reorganization or other similar laws affecting or limiting the enforcement of creditors' rights generally and except as such enforceability is subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

2.3. No Conflicts. The execution and delivery by Seller of this Agreement and the Seller Ancillary Agreements and the consummation by Seller of the transactions contemplated hereby does not conflict with any organizational documents of Seller or any law,

judgment, order, or decree to which Seller is subject or require the approval, consent, authorization or act of, or the making by Seller of any declaration, filing or registration with, any third party or any governmental authority, except the FCC Consent.

2.4. FCC License. Seller is the holder of the FCC License described on Schedule 1.1(a), which are all of the licenses, permits and authorizations required for the present operation of the Station. The FCC License are in full force and effect and have not been revoked, suspended, canceled, rescinded or terminated and have not expired. There is not pending, or, to Seller's knowledge, threatened, any action by or before the FCC to revoke, suspend, cancel, rescind or materially adversely modify any of the FCC License (other than proceedings to amend FCC rules of general applicability). There is not issued or outstanding, by or before the FCC, any order to show cause, notice of violation, notice of apparent liability, or order of forfeiture against the Station or against Seller with respect to the Station that could result in any such action. The Station is operating in compliance in all material respects with the FCC License, the Communications Act of 1934, as amended (the "Communications Act"), and the rules, regulations and policies of the FCC. All material reports and filings required to be filed with the FCC by Seller with respect to the Station have been timely filed. All such reports and filings are accurate and complete in all material respects.

2.5. Personal Property. Schedule 1.1(b) contains a list of all items of Tangible Personal Property included in the Station Assets. Seller has title to the Tangible Personal Property free and clear of Liens. The Tangible Personal Property listed on Schedule 1.1(b) is in good operating condition, ordinary wear and tear excepted.

2.6. Real Property. The Tower Agreement is in effect and is binding upon Seller and, to Seller's knowledge,



the other parties thereto (subject to bankruptcy, insolvency, reorganization or other similar laws relating to or affecting the enforcement of creditors' rights generally). Seller has performed its obligations under the Tower Agreement in all material respects, and is not in material default thereunder, and to Seller's knowledge, no other party to the Tower Agreement is in default thereunder in any material respect. The Tower Agreement provides access to the Station's facilities without need to obtain access rights from any other party. The Tower Agreement is assignable to Buyer in accordance with its terms.

#### TOWER AGREEMENT

Upon closing the current KRNF tower, including all attachments, anchor concrete, anchor steel, guy wires and tower building shall become the property of the buyer, along with all responsibilities related to power lighting and maintenance of the tower. In addition the seller agrees to lease to the buyer the land on which the tower is located for one dollar (\$1.00) per year. Should the buyer cease broadcasting from the present tower the buyer will be responsible for the immediate removal of the tower and tower building from the leased land unless agreed by the seller and buyer. Upon closing the seller also grants full access to the stations facilities without need to obtain access rights from any other party.

2.7. Compliance with Law. Seller has complied and is in compliance in all material respects with all laws, rules and regulations, including without limitation all FCC and Federal Aviation Administration rules and regulations applicable to the operation of the Station, and all decrees and orders of any court or governmental authority which are applicable to the operation of the Station, and (ii) to Seller's knowledge, there are no governmental claims or investigations pending or threatened against Seller in respect of the Station except those affecting the industry generally. There is

no action, suit or proceeding pending or, to Seller's knowledge, threatened against Seller in respect of the Station that will subject Buyer to liability or which will affect Seller's ability to perform its obligations under this Agreement. Seller is not operating under or subject to any order, writ, injunction or decree relating to the Station or the Station Assets of any court or governmental authority which would have a material adverse effect on the condition of the Station or any of the Station Assets or on the ability of Seller to enter into this Agreement or consummate the transactions contemplated hereby, other than those of general applicability.

### **ARTICLE 3: BUYER REPRESENTATIONS AND WARRANTIES**

Buyer hereby represents and warrants to Buyer as follows:

3.1. Organization. Buyer is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, and is qualified to do business in each jurisdiction in which the Station Assets are located. Buyer has the requisite power and authority to execute, deliver and perform this Agreement and the other agreements and instruments to be executed and delivered by Buyer pursuant hereto (collectively, the "Buyer Ancillary Agreements") and to consummate the transactions contemplated hereby.

3.2. Authorization. The execution, delivery and performance of this Agreement and the Buyer Ancillary Agreements by Buyer have been duly authorized and approved by all necessary action of Buyer and do not require any further authorization or consent of Buyer. This Agreement is, and each Buyer Ancillary Agreement when made by Buyer and the other parties thereto will be, a legal, valid and binding agreement of Buyer enforceable in accordance with its terms, except in each case as such enforceability may be limited by



bankruptcy, moratorium, insolvency, reorganization or other similar laws affecting or limiting the enforcement of creditors' rights generally and except as such enforceability is subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

3.3. No Conflicts. The execution and delivery by Buyer of this Agreement and the Buyer Ancillary Agreements and the consummation by Buyer of the transactions contemplated hereby does not conflict with any organizational documents of Buyer or any law, judgment, order or decree to which Buyer is subject, or require the approval, consent, authorization or act of, or the making by Buyer of any declaration, filing or registration with, any third party or any governmental authority, except the FCC Consent.

3.4. Qualification. Buyer is legally, financially and otherwise qualified to be the licensee of, acquire, own and operate the Station under the Communications Act and the rules, regulations and policies of the FCC.

#### ARTICLE 4: COVENANTS

Buyer and Seller hereby further covenant and agree as follows:

4.1. Confidentiality. Subject to the requirements of applicable law, all non-public information regarding the parties and their business and properties that is disclosed in connection with the negotiation, preparation or performance of this Agreement shall be confidential and shall not be disclosed to any other person or entity, except the parties' representatives and lenders for the purpose of consummating the transactions contemplated by this Agreement.

4.2. Control. Buyer shall not, directly or indirectly, control, supervise or direct the operation of the Station prior to Closing. Consistent with the Communications Act and the FCC rules and regulations, control, supervision and direction of all Station operations prior to Closing shall remain the responsibility of Seller as the holder of the FCC License.

4.3. Operations. Between the date of this Agreement and Closing: Seller shall operate the Station in compliance with all laws in all material respects and in the ordinary course of business consistent with past practice, maintain the Station's FCC License in full force and effect, maintain the Tangible Personal Property in the ordinary course of business, and not lease, sell, transfer or otherwise dispose of any Station Assets. Seller shall bear the risk of any loss of or damage to any of the Station Assets at all times until Closing, and Buyer shall bear the risk of any such loss or damage thereafter.

#### **ARTICLE 5: SELLER CLOSING CONDITIONS**

The obligation of Seller to consummate the Closing hereunder is subject to satisfaction, at or prior to Closing, of each of the following conditions (unless waived in writing by Seller):

5.1. Closing Deliveries. Buyer shall have made, or be ready, willing and able to concurrently make, the Closing deliveries described in Section 7.2.

5.2. FCC Consent. The FCC Consent shall have been obtained, and no court or governmental order prohibiting Closing shall be in effect.

#### **ARTICLE 6: BUYER CLOSING CONDITIONS**

The obligation of Buyer to consummate the Closing hereunder is subject to satisfaction, at or prior to



Closing, of each of the following conditions (unless waived in writing by Buyer):

6.1. Closing Deliveries. Seller shall have made, or be ready, willing and able to concurrently make, the Closing deliveries described in Section 7.1.

6.2. FCC Consent. The FCC Consent shall have been obtained, and no court or governmental order prohibiting Closing shall be in effect.

6.3 Tower Agreement. Buyer has obtained any and all necessary approvals to assume the Seller's obligations under the Tower Agreement.

#### **ARTICLE 7: CLOSING DELIVERIES**

7.1. Seller Documents. At Closing, Seller shall deliver to Buyer such bills of sale,

assignments and other instruments of conveyance, assignment and transfer as may be necessary to convey, transfer and assign the Station Assets to Buyer, free and clear of Liens, except for the

##### **Assumed Obligations.**

7.2. Buyer Documents. At Closing, Buyer shall deliver such documents and instruments of assumption as may be necessary to assume the Assumed Obligations, pay the Purchase Price in accordance with Section 1.4 hereof.

#### **ARTICLE 8: MISCELLANEOUS PROVISIONS**

8.1. Termination. This Agreement may be terminated prior to Closing as follows:

(a) by mutual written consent of Buyer and Seller;

8.2. Further Assurances. After Closing, each party shall from time to time, at the request of and without further cost or expense to the other, execute and deliver such other instruments of conveyance and assumption and take such other actions as may reasonably be requested in order to more effectively consummate the transactions contemplated hereby.

8.3. Assignment. Neither party may assign this Agreement without the prior written consent of the other party hereto, provided, however, that Buyer may assign its rights hereunder to an affiliate of Buyer upon written notice to, but without consent of, Seller, provided that (i) any such assignment does not delay processing of the FCC assignment application contemplated hereby, grant of the FCC Consent or Closing, (ii) any such assignee delivers to Seller a written assumption of this Agreement, and

(iii) Buyer shall remain liable for all of its obligations hereunder. The terms of this Agreement shall bind and inure to the benefit of the parties' respective successors and any permitted assigns, and no assignment shall relieve any party of any obligation or liability under this Agreement.

8.4. Amendments. No amendment or waiver of compliance with any provision hereof or consent pursuant to this Agreement shall be effective unless evidenced by an instrument in writing signed by the party against whom enforcement of such amendment, waiver, or consent is sought.

8.5. Governing Law. The construction and performance of this Agreement shall be governed by the laws of the State of Iowa without giving effect to the choice of law provisions thereof.



8.6. Notices. Any notice pursuant to this Agreement shall be in writing and shall be deemed delivered on the date of personal delivery or confirmed facsimile transmission or confirmed delivery by a nationally recognized overnight courier service, and shall be addressed as set forth on Exhibit A attached hereto (or to such other address as any party may request by written notice).

8.7. Expenses. Each party shall be solely responsible for all costs and expenses incurred by it in connection with the negotiation, preparation and performance of and compliance with the terms of this Agreement, except that

(a) the FCC filing fees with respect to the request for FCC Consent shall be paid by the Buyer.

8.8. Entire Agreement. This Agreement (including the Exhibit and Schedules hereto) constitutes the entire agreement and understanding among the parties hereto with respect to the subject matter hereof, and supersedes all prior agreements and understandings with respect to the subject matter hereof. No party makes any representation or warranty with respect to the transactions contemplated by this Agreement except as expressly set forth in this Agreement.


8.9. Counterparts. This Agreement may be executed in separate counterparts, each of which will be deemed an original and all of which together will constitute one and the same agreement.

[SIGNATURE PAGE FOLLOWS]

SIGNATURE PAGE TO ASSET PURCHASE AGREEMENT

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first set forth above.

SELLER: American Radio Missions Foundation

By: 

Name: Dr Douglas Smiley

Title: President

BUYER:  VCY AMERICA, INC

By: Victor Eliason

Name: Victor Eliason

Title: Vice President



## Exhibit A Station Inventory

| Item                                      | Description                          | Station  |
|---|--------------------------------------|----------|
| Audio Distribution Amplifier              |                                      | KRNF(2)  |
| Audioarts Engineering Air-1 Control Board | Streaming Board Simulcasting to KRNF | KRNF     |
| Dell Precision 380 Computer               | KRNF NexGen for On-Air               | KRNF     |
| Breakout Box                              | Soundcard Accessories                | KRNF (1) |
| ACS8.2 Audio Control Switcher             |                                      | KRNF (1) |
| Symetrix TI-101                           | Telephone Interface                  | KRNF     |
| Dell Monitor                              |                                      | KRNF     |
| ONM Keyboard                              |                                      | KRNF     |
| ONM Mouse                                 |                                      | KRNF     |
| Telos HX1                                 | Telephone Interfaces for local games | KRNF     |
| Comrex Bric-Link                          | STL Bric                             | KRNF (2) |
| ERI Series 100 4 bay antenna system       |                                      | KRNF     |
| Harries ZX 2000 series Transmitter        |                                      | KRNF     |
| Transmitter Bldg 8ft by 12 ft             |                                      | KRNF     |
| 42 inch face Rohn tower 320 feet          |                                      | KRNF     |
| Harris MicroMax exciter                   |                                      | KRNF     |
| EAS Unit                                  |                                      | KRNF     |
| Unity 4000 Sat. Receiver                  |                                      | KRNF     |
| Satellite Dish and LNB                    |                                      | KRNF     |
| Audio Controls switcher Misc              |                                      | KRNF     |